

# SENATE MOTION

**MADAM PRESIDENT:**

**I move** that Engrossed House Bill 1320 be amended to read as follows:

- 1 Page 1, delete lines 1 through 17, begin a new paragraph and insert:
- 2 "SECTION 1. IC 12-15-18-5.1, AS AMENDED BY P.L.66-2002,
- 3 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2003 (RETROACTIVE)]: Sec. 5.1. (a) For state fiscal years
- 5 ending on or after June 30, 1998, the trustees and each municipal health
- 6 and hospital corporation established under IC 16-22-8-6 are authorized
- 7 to make intergovernmental transfers to the Medicaid indigent care trust
- 8 fund in amounts to be determined jointly by the office and the trustees,
- 9 and the office and each municipal health and hospital corporation.
- 10 (b) The treasurer of state shall annually transfer from appropriations
- 11 made for the division of mental health and addiction sufficient money
- 12 to provide the state's share of payments under IC 12-15-16-6(c)(2).
- 13 (c) The office shall coordinate the transfers from the trustees and
- 14 each municipal health and hospital corporation established under
- 15 IC 16-22-8-6 so that the aggregate intergovernmental transfers, when
- 16 combined with federal matching funds:
- 17 (1) produce payments to each hospital licensed under IC 16-21
- 18 that qualifies as a disproportionate share provider under
- 19 IC 12-15-16-1(a); and
- 20 (2) both individually and in the aggregate do not exceed limits
- 21 prescribed by the federal Centers for Medicare and Medicaid
- 22 Services.
- 23 The trustees and a municipal health and hospital corporation are not
- 24 required to make intergovernmental transfers under this section. The
- 25 trustees and a municipal health and hospital corporation may make
- 26 additional transfers to the Medicaid indigent care trust fund to the extent
- 27 necessary to make additional payments from the Medicaid indigent care
- 28 trust fund apply to a prior federal fiscal year as provided in
- 29 IC 12-15-19-1(b).
- 30 (d) A municipal disproportionate share provider (as defined in

IC 12-15-16-1) shall transfer to the Medicaid indigent care trust fund an amount determined jointly by the office and the municipal disproportionate share provider. A municipal disproportionate share provider is not required to make intergovernmental transfers under this section. A municipal disproportionate share provider may make additional transfers to the Medicaid indigent care trust fund to the extent necessary to make additional payments from the Medicaid indigent care trust fund apply to a prior federal fiscal year as provided in IC 12-15-19-1(b).

(e) A county making a payment under IC 12-29-1-7(b) or from other county sources to a community mental health center qualifying as a community mental health center disproportionate share provider **for purposes of IC 12-15-19-9.5** shall certify that the payment represents expenditures that are eligible for federal financial participation under 42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a county in making this certification.

SECTION 2. IC 12-15-19-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: **Sec. 9.5. (a) For each state fiscal year ending after June 30, 2003, a community mental health center disproportionate share provider that is:**

**(1) freestanding from a hospital licensed under IC 16-21; and**  
**(2) not operated as part of a hospital licensed under IC 16-21;**  
**shall receive a disproportionate share payment as provided in this section.**

**(b) Subject to subsection (f), a community mental health center disproportionate share provider described in subsection (a) shall receive a payment in the amount determined under STEP 3 of the following formula:**

**STEP 1: Determine the amounts certified for the community mental health center disproportionate share provider under IC 12-15-18-5.1(e).**

**STEP 2: Divide the amount determined under STEP 1 by a percentage equal to the state's federal medical assistance percentage for the state fiscal year.**

**STEP 3: Subtract the amount determined under STEP 1 from the amount determined under STEP 2.**

**(c) A disproportionate share payment under this section is deemed comprised of:**

**(1) the amounts certified for the community mental health center disproportionate share provider under IC 12-15-18-5.1(e); and**

**(2) the amount paid to the community mental health center disproportionate share provider under subsection (b).**

**(d) A disproportionate share payment under this section may**

not exceed the community mental health center disproportionate share provider's institution specific limit under 42 U.S.C. 1396r-4(g). The office shall determine the institution specific limit for a state fiscal year by taking into account data provided by the community mental health center disproportionate share provider that is considered reliable by the office based on:

- (1) a periodic audit system;
- (2) the use of trending factors; and
- (3) an appropriate base year determined by the office.

(e) The office may require independent certification of data provided by a community mental health center disproportionate share provider to the office in order to determine the community mental health center disproportionate share provider's institution specific limit.

(f) Subjection to section 10(b)(2) and 10(b)(3) of this chapter, payments under this section may not result in total disproportionate share payments that are in excess of the state limit on these expenditures for institutions for mental diseases under 42 U.S.C. 1396r-4(h). The office may reduce payments due under this section for a state fiscal year, on a pro rata basis, if the reduction is necessary to avoid exceeding the state limit on disproportionate share expenditures for institutions for mental diseases.

(g) Subject to section 10(b)(3) of this chapter, total disproportionate share payments under this section for a state fiscal year must equal ten million dollars (\$10,000,000). However, this amount may be reduced based upon the amounts certified for community mental health center disproportionate share providers under IC 12-15-18-5.1(e). The office may reduce the payments due under this section, on a pro rata basis, based upon the institution specific limits under 42 U.S.C. 1396r-4(g) of each community mental health center disproportionate share provider eligible for a payment under this section for that state fiscal year if the reduction is necessary to avoid exceeding the total payment limit established under this subsection.

(h) The office may recover a payment made under subsection (b) from the community mental health center disproportionate share provider if federal financial participation is disallowed for the funds certified under IC 12-15-18-5.1(e) upon which the payment was based.

SECTION 3. IC 12-15-19-10, AS AMENDED BY P.L.283-2001, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: Sec. 10. (a) For the state fiscal year beginning July 1, 1999, and ending June 30, 2000, the state shall pay

1 providers as follows:

2 (1) The state shall make disproportionate share provider payments  
3 to municipal disproportionate share providers qualifying under  
4 IC 12-15-16-1(b) until the state exceeds the state disproportionate  
5 share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)).

6 (2) After the state makes all payments under subdivision (1), if the  
7 state fails to exceed the state disproportionate share allocation (as  
8 defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on  
9 disproportionate share expenditures for institutions for mental  
10 diseases (as defined in 42 U.S.C. 1396r-4(h)), the state shall make  
11 community mental health center disproportionate share provider  
12 payments to providers qualifying under IC 12-15-16-1(c). The  
13 total paid to the qualified community mental health center  
14 disproportionate share providers under section 9(a) of this  
15 chapter, including the amount of expenditures certified as being  
16 eligible for federal financial participation under IC 12-15-18-5.1(e),  
17 must be at least six million dollars (\$6,000,000).

18 (3) After the state makes all payments under subdivision (2), if the  
19 state fails to exceed the state disproportionate share allocation (as  
20 defined in 42 U.S.C. 1396r-4(f)(2)), the state shall make  
21 disproportionate share provider payments to providers qualifying  
22 under IC 12-15-16-1(a).

23 (b) For state fiscal years beginning after June 30, 2000, the state  
24 shall pay providers as follows:

25 (1) The state shall make municipal disproportionate share provider  
26 payments to providers qualifying under IC 12-15-16-1(b) until the  
27 state exceeds the state disproportionate share allocation (as defined  
28 in 42 U.S.C. 1396r-4(f)(2)).

29 (2) After the state makes all payments under subdivision (1), if the  
30 state fails to exceed the state disproportionate share allocation (as  
31 defined in 42 U.S.C. 1396r-4(f)(2)), the state shall make  
32 disproportionate share provider payments to providers qualifying  
33 under IC 12-15-16-1(a). **Beginning in a state fiscal year ending**  
34 **after June 30, 2003, the total disproportionate share**  
35 **payments made to a state mental health institution described**  
36 **in IC 12-24-1-3 must be limited to an amount necessary to**  
37 **permit disproportionate share payments to be made under**  
38 **section 9.5 of this chapter without exceeding the state limit**  
39 **on disproportionate share expenditures for institutions for**  
40 **mental diseases under 42 U.S.C. 1396r-4(h).**

41 (3) After the state makes all payments under subdivision (2), if the  
42 state fails to exceed the state disproportionate share allocation (as  
43 defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on  
44 disproportionate share expenditures for institutions for mental  
45 diseases (as defined in 42 U.S.C. 1396r-4(h)), the state shall make  
46 ~~community mental health center disproportionate share provider~~

1        ~~payments to providers qualifying under IC 12-15-16-1(c).~~  
 2        **disproportionate share payments under section 9.5 of this**  
 3        **chapter."**

4        Delete pages 2 through 13.

5        Page 14, delete line 1.

6        Renumber all SECTIONS consecutively.

(Reference is to EHB 1320 as printed February 13, 2004.)

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Senator BRODEN